GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2470
ANSWERED ON:16.12.2008
EXPANSION OF AUXILIARY AGRO INDUSTRIES
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a): whether the Government has received any suggestion for the development and expansion of the auxiliary agro industries to bail out the farmers of the country including Maharashtra from the current severe financial crisis;

(b): if so, the reaction of the Government thereto;

(c): whether the Government has identified the auxiliary agro industries which can be developed in the country; and

(d): if so, the details thereof, State-wise?

Answer

MINISTER OF MICRO,SMALL & MEDIUM ENTERPRISES(SHRI MAHABIR PRASAD)

(a) & (b): The activities under various schemes implemented by the Government(Ministry of Micro, Small and Medium Enterprises) are of `off farm` nature and inter alia comprise `post harvest processing` of various agricultural/horticultural items and no scheme specifically for the farmers is being implemented.However,the farmers desirous of setting up agro and rural industries may seek financial assistance under the new scheme called Prime Minister`s Employment Generation Programme (PMEGP) being implemented from 2008-09 for creation of additional employment opportunities through establishment of micro enterprises.The Scheme is being implemented through the Khadi and Village Industries Commission(KVIC), as the single nodal agency at the national level.At the State/Union Territories level, the scheme is implemented through field offices of KVIC, State/Union Territory Khadi and Village Industries Boards (KVIBs) and District Industries Centres (DICs) and Banks.Under this Programme, entrepreneurs can also establish village industries, by availing of margin money assistance from the KVIC/ KVIBs of States & Union Territories/ DICs and loans from implementing public sector scheduled commercial Banks, selected regional rural Banks and co-operative Banks, etc.,for projects with a maximum cost of Rs. 10 lakh each in the service/Business sector and up to Rs.25 lakh each in the manufacturing sector. Target for helping establish 61,697 projects during 2008-09 throughout the country during 2008-09, including, 5526 projects in Maharashtra, has been set under PMEGP.

(c) & (d): Activities under the agro and food processing industry group of the village industries under PMEGP, where agriculture raw material is used,help the farmers for achieving value addition in agro based products.

The units based on processing of pulses, fruits and vegetables,preparation of jam, jelly, pickles, squash, papad, masala making,cattle feed, poultry feed, bio-manure, etc., are some of the prominent agro based and food processing activities, using agricultural raw material, identified under the village industries sector for development under PMEGP.